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**TARIFF RELATIONS BETWEEN THE UNITED STATES AND THE  
DOMINION OF CANADA. CORRESPONDENCE RESPECTING NEGOTIA-  
TIONS, 1910.**

*From His Majesty's Ambassador at Washington to the Governor General.*

BRITISH EMBASSY, WASHINGTON, February 18, 1910.

His Excellency,

The Right Honourable Earl Grey, G.C.M.G., &c., &c., &c.,

The Governor General.

MY LORD.—Yesterday the Assistant Secretary of State sent for Mr. Mitchell Innes, and on his arrival, said that he wished to speak about the tariff relations between the United States and Canada. As the matter was of importance it was thought better that the substance of the conversation should be forwarded to Your Excellency's Government in the form of a memorandum to be drawn up by the State Department, and this memorandum I now have the honour to forward with the request that I should be informed as early as possible of the answer which should be returned.

The Assistant Secretary of State was throughout the conversation at pains to emphasize the friendliness of the feelings towards Canada with which the American Government and people were animated.

A. MITCHELL INNES.

*Memorandum.*

In view of the very friendly attitude of the Government and people of the United States towards the neighbouring Dominion of Canada, and in the interest of Canada at least quite as much as in that of the United States, the President would feel keen regret if, merely for the lack of opportunity for sympathetic and frank negotiation, the maximum tariff of the United States should automatically become operative upon Canadian products imported into the United States after March 31.

The application of the maximum tariff to the products of a given country can be avoided only if the Secretary of State be placed in possession of all those facts necessary to enable him to recommend to the President that, there being no undue discrimination, a proclamation to extend the minimum tariff may properly be issued. The authorities of the country concerned are naturally those pre-eminentely able to supply the required facts. In the case of all countries this has been done through their representatives at Washington, who have carried on negotiations with the Department of State. It will thus be seen by the force both of logic and of precedent that negotiations affecting American-Canadian tariff relations would occur at Washington either through the British Embassy or otherwise.

The Secretary of State will be glad if the British Embassy will be kind enough to take the necessary steps to assure its Government as well as the Dominion authorities of the disposition of the Government of the United States in the premises, in order that he may be informed as speedily as possible as to the manner in which is to be undertaken the negotiation of American-Canadian tariff matters.



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The Secretary of State has caused the Consul-General at Ottawa to report at the Department in order to supply such information as he can. The Secretary of State is further considering the question of sending to Ottawa two experts likewise to seek information.

It will be gratifying to the Government of the United States if in conveying the foregoing to the proper quarters the British Embassy will give assurances of the desire of the Government of the United States so far as possible to meet the wishes of the Dominion of Canada and the British Government in all matters of mode of procedure in seeking to bring about a negotiation of undeniable importance to all concerned.

Department of State,  
February 18, 1910.

*From His Majesty's Ambassador at Washington to the Governor General.*

Telegram.

WASHINGTON, 23rd February, 1910.

Referring to my despatch, No. 25, United States Tariff, I have been requested by the Secretary of State of the United States to inform you by telegraph of his urgent desire to begin at the earliest possible moment negotiations with Canada.

BRYCE.

#### MEMORANDUM.

A confidential communication from Mr. Fielding to His Excellency the Governor General, under date the 22nd of February, in relation to the tariff question, included an intimation that the Canadian Government were ready to discuss the situation with any authorized representative of the United States Government. It was intimated by Mr. Fielding that the meeting should not take place at Washington, that Ottawa was preferable, but that if an intermediate point would be more desirable this could probably be arranged. This was forwarded by His Excellency to Mr. Bryce and was the basis of a communication from him to the State Department, on the 26th February.

*From His Majesty's Ambassador at Washington to the Secretary of State of the United States*

WASHINGTON, February 26, 1910.

PHILANDER C. KNOX,  
Secretary of State.

DEAR MR. KNOX.—I have this moment received from Canada a communication which, although it is of an informal nature, enables me to inform you in reply to the communications which your department addressed to this Embassy and which were duly reported to Canada that although, as you are aware, the Dominion Government have not themselves any proposals to make they are quite ready to respond to any intimation from your government that the latter desire an opportunity of discussing



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with them the present tariff situation. Should you think it well to send an authorized representative or representatives to Ottawa for the purposes of an informal confidential conference, he or they will be received with pleasure there. Should it be thought better that such a confidential conversation should be arranged for in some intermediate place less exposed to publicity than is either Ottawa or Washington at the present moment, the Dominion Government would assent to such an arrangement. Meantime, if you would like to convey through this Embassy to Canada any statement of your views for the consideration of the Dominion Government, I need hardly say that I will forward such to Ottawa forthwith. And should you think it well that we should ourselves have some conversation either as to the best way of arranging for a meeting of experts or as to the questions themselves which you wish to have discussed, I am, of course, entirely at your disposal, either to-day or any later day which may suit your convenience. It is hardly necessary to add that the Dominion Government entirely reciprocate the expressions which have proceeded from your department as to the friendly attitude of the United States Government, being themselves animated by like sentiments.

JAMES BRYCE.

*From His Majesty's Ambassador at Washington to the Governor General.*

Telegram.

WASHINGTON, D.C., 28th February, 1910.

United States authorities express appreciation of attitude of Canadian authorities; are sending Ottawa Prof. Emery, Chairman Tariff Board, Mr. Pepper from State Department associating with them Mr. Foster, Consul General. Instructions have been given latter arrange for meeting.

BRYCE.

*From His Majesty's Ambassador at Washington to the Governor General.*

BRITISH EMBASSY,

WASHINGTON, March 1, 1910.

My Lord,—I have the honour to transmit herewith copy of a note dated yesterday from the United States Government in regard to the Commission which it is proposed to send to Ottawa to discuss tariff relations between the Dominion of Canada and the United States. It is in reply to the letter which I had addressed on Saturday last, February 26th, to the United States Government upon the receipt on that day of Your Excellency's unofficial letter enclosing a letter from the Honourable Mr. Fielding.

The substance of this note has already been telegraphed to Your Excellency and a copy of my letter of the 26th ultimo above referred to was sent unofficially to Your Excellency yesterday.

JAMES BRYCE.



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*From the United States Secretary of State to His Majesty's Ambassador at Washington.*

DEPARTMENT OF STATE, WASHINGTON, February 28, 1910.

EXCELLENCY,—On the 18th instant the Assistant Secretary of State very frankly laid before the Councillor of His Britannic Majesty's Embassy the attitude of the Government of the United States towards the pending matter of American-Canadian tariff relations and more particularly certain questions necessarily preliminary to negotiations by or on the part of Canada with this Government.

It was unhesitatingly assumed that the British Government and the authorities of the Dominion of Canada would desire, equally with the Government of the United States, that such negotiations should take place, and it was sought to ascertain, first, whether the Canadian authorities would discuss this subject directly or through the British Government, and secondly, if directly, whether it was preferred that the negotiations should take place, as is usual, at Washington, or whether they should take place at Ottawa. In making these enquiries, I sought to make evident the desire of this Government to consult, so far as possible, the preferences of Canada, even if this should involve a departure from the established mode of procedure in the many tariff negotiations now pending.

At the request of Mr. Innes, who kindly undertook to obtain with the least possible delay, the answer to these questions, the same ideas were embodied in the memorandum which I had the honour on the 18th instant to send you.

I hasten to thank you for the intimations, which in the absence of a formal and definite reply, you are so good as to embody in your note of this date, wherein I note with pleasure the assurances that the Government of the Dominion of Canada reciprocates the attitude of the United States and is animated by like cordial sentiments. This confirmation of what I had naturally assumed increases my hope that a frank exchange of views between the respective authorities may lead to satisfactory results. The simple desideratum would seem to be a frank and practical discussion which shall determine whether or not I may be placed in position to advise the President upon the facts that Canada is entitled to the benefits of the minimum tariff. As further evidence of the sincere desire of the United States to find a way, if possible, to accord to Canada the minimum rates—a matter in which, as had been made very evident, this Government has no desire to be captious as to modes of procedure—I shall avail of the courtesy of Your Excellency to inform the Canadian Government that Professor Henry C. Emery, Chairman of the Tariff Board, and Mr. Charles M. Pepper, Commercial Adviser to the Bureau of Trade Relations of this Department, are prepared at once to leave for Ottawa to discuss with the proper officers of the Dominion Government the business in hand; and that Mr. John G. Foster, Consul General of the United States at Ottawa, will be joined with Professor Emery and Mr. Pepper for that purpose. I beg to add for Your Excellency's information that I have telegraphed to Mr. Foster to arrange for such a conference at an early day.

Meantime, if at any time you think it would be helpful to these negotiations for us to discuss them in a general way, I shall be entirely at your disposition.

I have not failed to note the suggestion that the negotiations or discussion might, possibly, appropriately take place at an intermediate point between Ottawa and Washington, but in the absence of any special reasons, of which I am unaware, I deem it more practical that this entirely simple business be undertaken at a seat of Government concerned. I have, therefore, availed of your alternative suggestion that our representatives would be received with pleasure at Ottawa.



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In expressing my appreciation of your valuable attention to this matter I take advantage of this opportunity to convey to Your Excellency the assurances of my highest consideration.

P. C. KNOX.

*From the President of the United States to the Minister of Finance of Canada.*

Telegram.

BATAVIA, N.Y., Mar. 18, 1910.

Hon. W. S. FIELDING,

Minister of Finance, Ottawa, Ont.

Should be very glad to meet you at Albany, Saturday or Sunday, to discuss the tariff situation. Please present my compliments to Sir Wilfrid Laurier and say to him that I regret to hear that conditions make it impossible for him to come also.

WM. H. TAFT.

*From Minister of Finance of Canada to the President of the United States.*

Telegram.

OTTAWA, March 18, 1910.

Hon. WILLIAM H. TAFT,

Albany, N.Y.

I shall be in Albany Saturday evening.

W. S. FIELDING.

*From the Minister of Finance of Canada to the Secretary of State of the United States.*

WASHINGTON, March 26, 1910.

The Honourable P. C. KNOX,

Secretary of State, Washington.

MY DEAR MR. SECRETARY,—In the conference which, upon his invitation, I had the honour to hold with the President of the United States at Albany a few days ago, it was represented to me that the settlement of our present tariff differences and the opening of the way for negotiations having in view a broader scheme of reciprocal trade would be facilitated by Canada making some reductions in its present scale of duties as applied to products of the United States. While unable to waive any of the contentions which Canada has held throughout our discussion of the subject, I have appreciated the exceptional circumstances and reasons advanced by the President in support of his request. A tariff conflict between the two countries would undoubtedly be a matter of the gravest concern for both, involving widespread disturbance of trade, heavy loss to citizens of both countries and the creation of much friction at a time when the cultivation of happier relations is most desirable. Both parties to the difference should, I realize, be willing to go as far as possible to avert such a conflict.

I have observed with satisfaction that your government are not disposed to press some of their earlier contentions respecting our commercial treaties which, from our point of view, we could not admit. This being the case, I feel that our government should go as far as possible to meet the views of the President and to respond to the good spirit in which he has approached the subject. On behalf of the Canadian Government I agree that we shall forthwith recommend to the Parliament of Canada such amendment of the Canadian Customs Tariff as will reduce the duties on the list of articles agreed upon between us, such articles and the reduced rates of duty being as follows:—



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No. of Canadian tariff.	Reduced rates of duty.
94 Dates and figs, dried.. .. .	per 100 lbs. 55 cents.
99 Prunes and dried plums, unpitted, raisins and dried currants.. ..	per lb. $\frac{2}{3}$ cent.
109 Almonds, walnuts, Brazil nuts, pecans and shelled peanuts, n.o.p..	per lb. 2 cents.
112 Nuts of all kinds, n.o.p.. .. .	per lb. 2 cents.
180 Photographs, chromos, chremotypes, artotypes, oleographs, paintings, drawings, pictures, decalcomania transfers of all kinds, engravings or prints or proofs therefrom, and similar works of art, n.o.p.; blue prints, building plans, maps and charts, n.o.p.. .. .	22 $\frac{1}{2}$ per cent.
228 Soap powders, powdered soap, mineral soap, and soap, n.o.p.. .. .	32 $\frac{1}{2}$ "
234 Perfumery, including toilet preparations, non-alcoholic, viz.:—hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin.. ..	32 $\frac{1}{2}$ "
287 Tableware of china, porcelain, white-granite or ironstone.. .. .	27 $\frac{1}{2}$ "
318 Common and colourless window glass.. .. .	12 $\frac{1}{2}$ "
366 Watch actions and movements and parts thereof, finished or unfinished, including winding bars and sleeves.. .. .	12 $\frac{1}{2}$ "
604 Dongola, cordovan, calf, sheep, lamb, kid or goat, kangaroo, alligator and all leather, dressed, waxed, glazed or further finished than tanned n.o.p.; harness leather and chamois skin.. .. .	15 "
634 Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats.. .. .	27 $\frac{1}{2}$ "
711 All goods not enumerated in this schedule as subject to any other rate of duty, and not otherwise declared free of duty, and not being goods the importation whereof is by law prohibited.. .. .	17 $\frac{1}{2}$ "

Provided that duty shall not be deemed to be provided for by this item upon dutiable goods mentioned as 'n.o.p.', in any preceding tariff item.

Provided further that when the component material of chief value in any non-enumerated article consists of dutiable material enumerated in this schedule as bearing a higher rate of duty than is specified in this tariff item, such non-enumerated article shall be subject to the highest duty which would be chargeable thereon if it were composed wholly of the component material thereof of chief value, such 'component material of chief value' being that component material which shall exceed in value any other single component material in its condition as found in the article.

## NOTE.

The abbreviation 'n.o.p.' means 'not otherwise provided.'

The words 'this schedule,' in item 711, mean Schedule 'A' of the Canadian Customs Tariff.

It is understood that these reductions are not to apply exclusively to the products of the United States, but that the Canadian Government are free to apply them to the products of any other country.

W. S. FIELDING.

*From the Secretary of State of the United States to the Minister of Finance of Canada.*

DEPARTMENT OF STATE, WASHINGTON, March 26, 1910.

The Honourable

W. S. FIELDING,

Minister of Finance of the Dominion of Canada.

MY DEAR MR. MINISTER.—The adjustment of trade relations between Canada and the United States under existing tariff legislation, conducted through you at the instance of the British Ambassador, and brought to a successful conclusion so largely through your own patient and earnest efforts, cannot fail to be a cause of mutual felicitation between the thoughtful people of both countries.

I am gratified that the recent tendencies towards a more perfect understanding between our respective countries, manifested so conspicuously in the maturing ad-



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justments of boundary, boundary waters, fisheries and other long-standing differences, will not be affected by the irritations which would have resulted from our failure to agree upon the tariff question.

The agreement encourages the hope that the future trade relations of the two countries will become even more intimate and expanded, and will be regulated in a spirit of cordial reciprocation and interdependence. The common commerce now amounts to a vast sum, and its extraordinary growth is an index of the vast industry and commercial development among both peoples. It seems clear that this trade should be fostered so that the markets of each may be open to the other on the most advantageous terms possible for the interchange of commodities, and that such interchange undoubtedly can be promoted by the two governments without impairing their national economic policies.

The President is confident that the policy of broader and closer commercial relations with Canada will receive the hearty support of the large majority of the people of the United States, and he has learned with much satisfaction of the existence of a similar sentiment in the Dominion. It may be added that the conditions of the present day, as contrasted with the traditions of the past, are bringing into clearer light the truth that not only mutual trade interests but ethical and social considerations of the highest moment reinforce this common sentiment.

Let me, then, take this opportunity to express, by his direction, the desire of the President that your Government will find it convenient to take up with this Government, at such time and in such manner as may be mutually satisfactory, the consideration of a readjustment of our trade relations upon the broader and more liberal lines which should obtain between countries so closely related geographically and racially, as indicated by the President in his recent public utterances.

P. C. KNOX.

*From the Minister of Finance of Canada to the Secretary of State of the United States.*

WASHINGTON, March 26, 1910.

The Honourable,  
P. C. KNOX,

Secretary of State, Washington.

MY DEAR MR. SECRETARY.—I have the honour to acknowledge receipt of your letter of this date.

The Canadian Government very heartily reciprocate your expressions as to the desirability of improving the commercial relations between the United States and Canada and will gladly avail themselves of the invitation of the President to take up with your Government, at such time and in such manner as may be mutually satisfactory, the consideration of a readjustment of these relations upon broad and liberal lines. The recent public utterances of the President in that direction have afforded much satisfaction to the Canadian people, who will receive with pleasure the formal confirmation of them which is now conveyed to our Government through you. I am confident that your assurances will be received also with much gratification by His Majesty's Government in London who will find in them further evidence of the desire of the Government of the United States to maintain the most cordial relations with the British Empire.

Allow me to express for myself as well as for my colleague, Mr. Graham, who has been associated with me in the conference at Washington, the most sincere



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thanks to the President and yourself for the cordiality of your welcome and the very frank manner in which you have discussed the questions that have engaged our attention.

—W. S. FIELDING.

*From Lord Grey to Mr. Bryce.*

MONTREAL, P.Q., March 31, 1910.

SIR,—I have the honour to transmit, herewith, for Your Excellency's information, copies of the *Hansard* report of the debate in the House of Commons following the announcement by Mr. Fielding of the arrangement made with the United States with respect to the Tariff.

Your Excellency will, I am sure, see with satisfaction Mr. Fielding's expression of his deep appreciation of the valuable assistance rendered to Canada by Your Excellency in the matter.

GREY.

*From Mr. Bryce to Lord Grey.*

BRITISH EMBASSY, WASHINGTON, April 7, 1910.

MY LORD,—I have the honour to acknowledge the receipt of Your Excellency's despatch of March 31 enclosing a report of the debate in the House of Commons of Canada on the recent tariff negotiation with the United States. In conveying my thanks to Your Excellency for this report, I desire to say how much I appreciate what Mr. Fielding was good enough to say regarding the part taken by myself and by the staff of the Embassy in the various stages of these negotiations. To have had the opportunity of contributing to some extent to bring together the Representatives of the two countries by whose skill and wisdom the happy result embodied in these recent arrangements has been attained, and to have had opportunities of conveying to Your Excellency from time to time the various facts and conditions affecting the action of the United States Government, have been a part of my duties which I value very highly. I trust I may be permitted to congratulate Your Excellency and Your Excellency's Government upon a settlement which has not only maintained friendly relations between the two countries, but has had here in the United States the double effect of enhancing the respect felt for Canadian policy and statesmanship and of giving a further proof of Canadian good-feeling, a proof which is not lost upon the American people.

JAMES BRYCE.



